

INFORMATION

Voluntary Health Insurance Coverage in California, 1962

A Report of the Bureau of Research and Planning, California Medical Association

AT THE END of 1962 approximately 11.9 million people, or slightly over seven out of every 10 of an estimated civilian population of 16,737,000 people in California,* were covered under some form of voluntary health insurance. These forms of health care coverage include hospital, surgical, regular medical and major medical expense benefits. The per cent of the civilian population covered under insurance providing surgical benefits was approximately 67.5 per cent while those covered by regular medical coverage included 57.0 per cent of the same population. The per cent covered for hospital expense was 71.4 per cent.

Table 1 indicates the proportion of the population covered respectively for the various types of health care protection in the United States and California. At the end of 1962 an estimated 76 per cent of the population of the United States was enrolled in a program providing hospital expense coverage as against 71 per cent of the California population. The proportion of persons covered for surgical service benefits was also greater for the United States, representing 71 per cent of the population, while almost 68 per cent of the California population was covered for these benefits.

TABLE 1.—Per Cent of Persons Covered in Some Form Against Hospital, Surgical, and Regular Medical Expense in the United States and California, December, 1962

Forms of Coverage	United States	California
Hospital	76.4%	71.4%
Surgical	70.7	67.5
Regular Medical Expense	52.9	57.0

California's population had 4 per cent more coverage for regular medical expenses; the proportion of the population reportedly covered was 58 per cent for California and 53 per cent for the United States.

Although there are several states whose per cent of population covered is of greater proportion for

*Civilian population estimate as of July 1, 1962.

Source: Health Insurance Council 17th Annual Survey, *Voluntary Health Insurance Coverage*, United States, December 31, 1962.

Over 7 out of every 10 of the estimated civilian population of 16.7 million persons in California were covered by some form of voluntary health insurance at the end of 1962. The forms of protection included hospital, surgical, regular medical and major medical expense benefits.

Over 71 per cent of Californians were covered for hospital expenses. The per cent of the civilian population of California covered for surgical benefits was almost 68 per cent, while 57 per cent were covered for regular medical expense.

Comparable percentages for the United States are approximately 76 per cent (hospital), 71 per cent (surgical), and 53 per cent (regular medical).

While the percentage of the State's population covered for hospital and surgical expenses is below that for the United States, it is higher for regular medical expense benefits.

The rate of increase in coverage for the different forms of health care protection in California exceeded the rate of population growth during the one-year period ending 1962.

It is estimated that as of December, 1962, over three million Californians were covered by major medical expense insurance.

The foregoing summary and the information in the accompanying text does not reflect the total number of persons in California who receive or are eligible for health care services. A large variety of government financed programs on local, state and federal levels either finance or provide such services to an estimated 40 to 50 per cent of the California population which does not have voluntary health insurance coverage.

No current data are available regarding the number of persons who do not desire voluntary health insurance coverage for a variety of personal or financial reasons.

these various types of coverage, on the average (taking the total United States experience) one can assume that Californians possess a better balance of health care services.

California's coverage experience is unique in that not only is the State's population continuing to increase at a relatively significant rate (over 3 per cent per annum), but the per cent increase in coverage is greater than population growth, with hospital coverage showing the greatest increase. Table 2 indicates the increase in the number of persons covered at the end of 1962 by comparing this number with those covered at the end of 1961.

TABLE 2.—Number of Persons Covered by the Various Forms of Coverage in California, 1961 and 1962, and the Comparative Increase in Coverage

Form of Coverage	1961	1962	Absolute Increase	Per Cent Increase
Hospital	11,170,000	11,946,000	776,000	6.9%
Surgical	10,712,000	11,299,000	587,000	5.8
Regular Medical ..	9,065,000	9,543,000	478,000	5.3

There has been a significant increase in those persons covered by hospital expense benefits; this reverses an earlier trend which showed that during 1961 regular medical expense coverage experienced a faster growth rate than did either hospital or surgical coverage.

Major medical expense insurance, the fastest growing type of voluntary health insurance in the United States, covered 38.2 million persons at the end of December, 1962. No state breakdowns are available, but if the same proportion of persons in California are enrolled under this program as are under those for hospital expense, it can be estimated that over three million persons in California have such coverage.

Since these figures and per cents are gross and do not represent an evaluation of coverage in terms of an available market for voluntary health insurance, perhaps a few comments are in order to place the data in somewhat finer perspective. Aside from those persons who, for personal reasons, do not desire voluntary health insurance coverage, a large number and a significant per cent of those not coming under voluntary health insurance coverage are provided with health care services, or have such services fi-

nanced for them. These would include—but are not limited to—persons eligible for care through the U.S. Public Health Service, such as American Seamen; those persons eligible for care such as veterans whose care in many cases is for non-service connected conditions; persons who receive care under vocational rehabilitation; people eligible for care under California's Public Assistance Medical Care Program; Armed Forces Personnel and dependents covered in the Medicare Program; the services provided under the Crippled Children's Program administered by the State Department of Public Health; and last but not least, persons who have no other type of coverage but who are covered by Disability Insurance Hospitalization Benefits, administered by the State Department of Employment.

It is estimated that between 40 per cent to 50 per cent of the remaining five million persons in California not covered by voluntary health insurance have some other type of health care protection. Thus a higher per cent of the population in California has health care service programs available to them than is reflected just in the enrollment under voluntary health insurance programs.

693 Sutter Street, San Francisco, California 94102.

Health Care for the Aged

I AM DR. HENRY S. BLAKE, and I am engaged in the private practice of medicine in Topeka, Kansas. I am appearing here today as Chairman of the Board of Directors of the National Association of Blue Shield Plans. Accompanying me is Mr. John W. Castelluci, Executive Vice President of the Association.

The National Association of Blue Shield Plans is the coordinating organization of the Blue Shield Medical Care Plans which now provide prepaid medical and surgical care benefits to 49 million people throughout the United States. The Association has 71 Member Plans. The Association's main purpose is to help its Member Plans do a continuously better job for the people in their respective areas, and to foster public and professional support for the voluntary, nonprofit, community-sponsored medical care prepayment program.

The Blue Shield name and symbol is a respected and nationally recognized service mark. It identifies those prepayment Plans which are endorsed by the medical profession and which offer benefits specifically related to the medical needs and resources of their local communities. As part of its continuing

effort to improve these programs, the National Association of Blue Shield Plans requires each Member Plan to reapply for membership each year, and to meet certain standards of quality and performance.

Blue Shield and Blue Cross share a common objective—to make available a comprehensive medical and hospital prepayment service to the entire population. Blue Shield is engaged in covering physicians' services, while Blue Cross is devoted to the payment of hospital services. Although the local Blue Cross and Blue Shield Plans work in close cooperation in most parts of the country, they are distinctly separate organizations, both locally and nationally.

The leaders of Blue Shield and of the medical community have recognized that aging people present special problems in respect to their needs for medical care—just as do many other particular segments of the population such as the chronically ill, the handicapped, and the indigent. One of the chief distinctions of Blue Shield Plans is that they have always sought to bring the resources of the entire community to bear upon the problems of each of its component groups.

The growth of Blue Shield is an impressive demonstration of the growing national concern to make adequate prepayment mechanisms for medical care available to all who need such help—regardless of

A Statement before the Committee on Ways and Means, United States House of Representatives, by Henry S. Blake, M.D., Chairman of the Board of Directors, National Association of Blue Shield Plans, January 23, 1964.